



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

Sentrix Pharmacy and Discount, L.L.C.

Respondent Name

Dallas County

MFDR Tracking Number

M4-17-3845-01

Carrier's Austin Representative

Box Number 44

MFDR Date Received

August 28, 2017

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The insurance carrier, York Risk Management, failed to take final action on the claim within the 45 day period set forth in TAC §133.240. Specifically the claim was submitted on 6/8/16 and it was received by the provider on 6/12/16 ... and no action was taken on the claim. After 30 days, the Pharmacy had submitted a second request for payment (on 8/1/16) based upon the expiration of the 45-day period and it was received by the provider on 8/4/16 ... Again, no action was taken on the claim."

Amount in Dispute: \$2,078.06

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The Self-Insured and its bill review company first received the pharmacy billing in question with this Medical Fee Dispute. No billing was received in June 2017 as claimed in the Medical Fee Dispute."

Response Submitted by: White/Espey, P.L.L.C.

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
June 8, 2017	Pharmacy Services – Compound	\$2,078.06	\$1,718.06

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §133.240 sets out the procedure for medical bill processing by the workers' compensation insurance carrier.

3. 28 Texas Administrative Code §134.503 sets out the reimbursement for pharmacy services.
4. No explanation of benefits presented to the requestor prior to medical fee dispute were found in the documentation.

Issues

1. Did Dallas County pay, reduce or deny the disputed services not later than the 45th day after receiving the medical bill?
2. Is the requestor entitled to reimbursement for the compound in question?

Findings

This medical fee dispute was filed by health care provider Sentrix Pharmacy and Discount, L.L.C. (Sentrix) on August 28, 2017. Sentrix Pharmacy (Sentrix) on its table of disputed services asserts that it was not paid by Dallas County for the compound it dispensed to a covered injured employee on June 8, 2017.

1. Sentrix contends that York Risk Management, an agent of Dallas County, failed to “take final action on the claim within the 45 day period set forth in in TAC §133.240.” Furthermore, in its reconsideration request, Sentrix also alleges that “Sentrix has not...received any sort of notification or EOBR.”

According to Texas Labor Code Sec. 408.027(b) Dallas County was required to pay, reduce or deny the disputed services not later than the 45th day after it received the medical bill from Sentrix. Corresponding 28 Texas Administrative Code §133.240 also required Dallas County to take final action by issuing an explanation of benefits not later than the statutorily-required 45th day.

The following evidence supports that Dallas County initially received the medical bill for the services in dispute on June 12, 2017:

- A copy of a first class mail receipt dated June 8, 2017, tracking number 9400 1118 9956 4739 9645 48 addressed to York Risk Services.
- A copy of a corresponding USPS tracking printout indicating that York Risk Services received tracked package number 9400 1118 9956 4739 9645 48 on June 12, 2017.

Although there is evidence that an agent of Dallas County received a medical bill for the service in dispute on June 12, 2017, Dallas County failed to timely take the following actions:

Rule §133.240(a) An insurance carrier **shall take final action** [emphasis added] after conducting bill review on a complete medical bill...**not later than the 45th day** [emphasis added] after the insurance carrier received a complete medical bill.”

Rule §133.240(e) The insurance carrier **shall send the explanation of benefits** in accordance with the elements required by §133.500 and §133.501 of this title...The explanation of benefits shall be sent to:

- (1) the health care provider when the insurance carrier makes payment or denies payment on a medical bill...

28 Texas Administrative Code §133.307(d)(2)(F) states, in relevant part, “The response shall address only those denial reasons presented to the requestor prior to the date the request for MFDR was filed with the division and the other party. Any new denial reasons or defenses raised shall not be considered in the review.”

Review of the submitted documentation finds that Dallas County failed to present a denial of payment to Sentrix in accordance with 28 Texas Administrative Code §133.240 prior to the date the request for medical fee dispute resolution (MFDR) was filed. The division concludes that any defenses presented in White/Espey, P.L.L.C.’s position statement shall not be considered for review because these assertions constitute new defenses pursuant to 28 Texas Administrative Code §133.307(d)(2)(F).

2. Sentrix is seeking reimbursement for a compound with the following ingredients:

- Salt Stable LS Base, NDC 00395602157, \$572.54
- Baclofen 4%, NDC 00395803243, \$342.05
- Amitriptyline 2%, NDC 00395804843, \$87.55
- Ketoprofen 10%, NDC 00395805643, \$250.80
- Amantadine 8%, NDC 00395805843, \$465.12
- Gabapentin 5%, NDC 10695003507, \$360.00

The division finds that NDC 10695003507 is not a valid National Drug Code (NDC) as required by 28 Texas Administrative Code §134.502(d)(1). Therefore, this ingredient will not be considered for reimbursement.

Rule at 28 Texas Administrative Code §134.503 applies to the compound in dispute and states, in pertinent part:

- (a) The insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of:
 - (1) the fee established by the following formulas based on the average wholesale price (AWP) as reported by a nationally recognized pharmaceutical price guide or other publication of pharmaceutical pricing data in effect on the day the prescription drug is dispensed:
 - (A) Generic drugs: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.25) + \4.00 dispensing fee per prescription = reimbursement amount;
 - (B) Brand name drugs: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.09) + \4.00 dispensing fee per prescription = reimbursement amount;
 - (C) When compounding, a single compounding fee of \$15 per prescription shall be added to the calculated total for either paragraph (1)(A) or (B) of this subsection; or
 - (2) notwithstanding §133.20(e)(1) of this title (relating to Medical Bill Submission by Health Care Provider), the amount billed to the insurance carrier by the:
 - (A) health care provider; or
 - (B) pharmacy processing agent only if the health care provider has not previously billed the insurance carrier for the prescription drug and the pharmacy processing agent is billing on behalf of the health care provider.

The compound in dispute was billed by listing each drug included in the compound and calculating the charge for each drug separately as required by 28 Texas Administrative Code §134.502 (d)(2). Each ingredient is listed below with its corresponding reimbursement amount as applicable.

Ingredient	NDC & Type	Price Gm	Total Gm	AWP Formula §134.503(a)(1)	Billed Amount §134.503(a)(2)	Lesser of (a)(1) and (a)(2)
Compound Fee	NA	\$15.00	NA	\$15.00	\$0.00	\$0.00
Salt Stable LS Base	00395602157 Brand Name	\$3.36	170.4 gm	\$624.07	\$572.54	\$572.54
Baclofen 4%	00395803243 Generic	\$35.63	9.6 gm	\$427.56	\$342.05	\$342.05
Amitriptyline 2%	00395804843 Generic	\$18.24	4.8 gm	\$109.44	\$87.55	\$87.55
Ketoprofen 10 %	00395805643 Generic	\$10.45	24.0 gm	\$313.50	\$250.80	\$250.80
Amantadine 8%	00395805843 Generic	\$24.22 5	19.2 gm	\$581.40	\$465.12	\$465.12
Gabapentin 5%	10695003507 Invalid NDC	\$0.00	12.0 gm	\$0.00	\$360.00	\$0.00
					Total	\$1,718.06

The total reimbursement is therefore \$1,718.06. This amount is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that reimbursement is due. As a result, the amount ordered is \$1,718.06.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Sec. 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services in dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$1,718.06, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

_____	Laurie Garnes	December 21, 2017
Signature	Director for Medical Fee Dispute Resolution	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.